Minutes of the New Jersey Health Care Facilities Financing Authority Meeting held on January 24, 2019 on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, NJ.

The following ***Authority Members*** *were in attendance:*

Dr. Munr Kazmir (Vice Chair) Chairing; Robin Ford, Designee of the Commissioner of Health; Mary Ann Kralik, Designee of the Commissioner of Banking and Insurance; Greg Lovell, Designee of the Commissioner of Human Services; and, via telephone, and Suzette Rodriguez, Public Member

The following ***Authority staff members*** *were in attendance:*
Mark Hopkins, Frank Troy, Ron Marmelstein, Bill McLaughlin, Carole Conover, Alpa Patel, Edwin Fuentes, Diane Johnson, Taryn Rommel, Michael Solidum, John Johnson, Bernie Miller, Cindy Kline and Chris Kniesler

The following ***representatives from the State and/or the public*** *were in attendance:*
George Loeser, Attorney General's Office; Bob Segin, Executive Vice President & Chief Financial Officer, Gerry Lowe, Senior Vice President for Finance and Bob Osler, Assistant Vice President for Treasury from Virtua Health, Inc.; and, via telephone, Ed Caulfield, Governor's Authorities Unit

CALL TO ORDER

Dr. Kazmir called the meeting to order at 10:17 a.m. and announced that this was a regular Meeting of the Authority, held in accordance with the schedule adopted at the May 24, 2018 and August 23, 2018 Authority meetings. Complying with the Open Public Meetings Act and the Authority's By-laws, notice of this meeting was delivered to *The Star-Ledger* and the *Courier Post* and to all newspapers with mailboxes at the Statehouse, enough in advance to permit the publication of an announcement at least 48 hours before the meeting.

1. APPROVAL OF MINUTES
December 20, 2018 Authority Meeting

Minutes for the Authority's December 20, 2018 regular meeting were distributed for review and approval prior to the meeting. Dr. Kazmir asked for a motion to approve the minutes. Mr. Lovell made the motion. Ms. Ford seconded. Dr. Kazmir asked if there were any questions on the motion. There were no questions. All Members voted in the affirmative and the minutes were approved.

2. NEGOTIATED PRIVATE PLACEMENT REQUEST AND INFORMATIONAL PRESENTATION
Virtua Health, Inc.

Dr. Kazmir asked Edwin Fuentes to provide the Members with the details of the Virtua Health Inc. transaction.

Mr. Fuentes advised the Members that he was presenting a request for a negotiated sale in the form of a private placement and an informational presentation. He then introduced Bob Segin, Executive Vice President & Chief Financial Officer, Gerry Lowe, Senior Vice President of Finance, and Bob Osler, Assistant Vice President for Treasury from Virtua Health, Inc.

Mr. Fuentes began by informing the Members that Virtua Health, Inc. ("Virtua") signed a Memorandum of Understanding with the Authority to undertake a tax-exempt financing of approximately $215 million. The proceeds the financing will be used to currently refund the remaining portion of the Authority issued Series 2009A bonds; fund a Debt Service Reserve, if necessary; and pay the related costs of issuance.

According to Mr. Fuentes, Virtua is a New Jersey not-for-profit corporation incorporated in New Jersey to establish, operate, maintain, and conduct a regional health network serving Burlington, Camden, Mercer, Ocean, and Gloucester counties in New Jersey. The three tax-exempt acute care hospitals comprising the system are Virtua Marlton Hospital in Marlton, Virtua Memorial Hospital in Mount Holly, and Virtua Voorhees Hospital in Voorhees NJ. Across all the acute care hospitals, Virtua Health has over 900 licensed beds. Standard & Poor's and Fitch currently rate Virtua AA-.

Mr. Fuentes reported that the outstanding Authority-issued obligations for Virtua include Series 2004 Variable Rate Revenue Bonds; Series 2009A Fixed Rate Revenue Bonds; Series 2009B Variable Rate Revenue Bonds; Series 2009C Variable Rate Revenue Bonds; Series 2009D Variable Rate Revenue Bonds; Series 2009E Variable Rate Revenue Bonds; and Series 2013 Revenue and Refunding Bonds. The total outstanding Authority debt issued on behalf of Virtua is approximately $595.6 million.

Mr. Fuentes directed the Members to the meeting materials that contained the most current audited annual financial information for Virtua. The data indicates that excess revenue over expenses increased from $219.9 in 2016 million to $278.4 in 2017, resulting in a 26.5% increase. During the same time period, Days Cash on Hand increased from 415.47 days to 422.29 days, well above the 2017 Statewide Median of 114.2, which saw a drop since 2016. Debt Service Coverage Ratio increased from 10.52 to 12.54, while the 2017 Statewide Median also fell slightly since 2016 to 3.21. Financial ratios such as the Cushion Ratio, Operating Margin, Days in Accounts Receivable and Days in Accounts Payable remained relatively consistent. Unaudited 12-month interim financial statements ending June 30, 2018 indicate increases in Total Operating Revenues of $11.6 million, offsetting the increase in Total Operating Expenses of $4.5 million.

Moreover, Virtua's Annual Inpatient Utilization Trends from 2016 to 2017 show decreases in: Inpatient Days of 8.9%, Inpatient Admissions of 7.6%, Occupancy Rate of 8.9%, and Average Length of Stay of 1.4%. However, utilization statistics derived from interim financials for the six months ending June 30, 2018 indicated a slight increase to Inpatient Days, Inpatient Admissions, Occupancy Rate, and a slight decrease in Average Length of Stay when comparing to the previous 12-month period in 2017.

Mr. Fuentes told the Members that Virtua has asked that the Authority permit the use of a negotiated sale in the form of a private placement based on large issue size and volatile market conditions for the sale of bonds. These reasons are considered under the Authority's policy regarding Executive Order #26 to be a justification for the use of a negotiated sale.

Mr. Fuentes further explained that, under the Authority's policies, a Borrower requesting a negotiated sale in the form of a private placement must justify the use of a private placement by showing it is either less expensive on a present value basis to complete a private placement or that there are other circumstances that would limit the effectiveness or usefulness of a negotiated sale using a public offering. Virtua, along with its financial advisor, has conducted an analysis to determine whether to proceed with a private placement or a public offering. Based upon its analysis, a private placement would: (i) result in a net present value savings of approximately $13.96 million compared to a public offering; (ii) reduce the costs of issuance; and (iii) expedite the issuance of the refunding bonds. Mr. Fuentes stated that for these reasons, he was recommending the Members' consideration of the resolution that was included in the meeting materials to approve the use of a negotiated sale in the form of a private placement and the forwarding of the justification in support of said resolution to the State Treasurer.

Mr. Fuentes informed the Members that Virtua has completed a competitive process to select a banker for the transaction. As a result, TD Bank N.A. will serve as the direct purchaser for the bonds.

In addition, Virtua requested and received the approval of the Attorney General's office to have John Kelly from Wilentz, Goldman and Spitzer serve as bond counsel. Mr. Fuentes concluded by stating that, contingent upon Members' approval of the resolution to pursue a negotiated sale in the form of a private placement, it is anticipated that staff will be requesting their approval of a contingent bond sale at next month's meeting and the expectation for closing this transaction in April.

Mr. Fuentes then said that he, Mr. Segin, Mr. Lowe or Mr. Osler would answer any questions from the Members. There were no questions.

Dr. Kazmir then asked for a motion to approve the resolution authorizing a negotiated sale in the form of a private placement for Virtua Health. Mr. Lovell made the motion. Ms. Kralik seconded. Dr. Kazmir asked if there were any questions on the motion. There were no questions. Dr. Kazmir called for a vote. All Members voted in the affirmative and the motion passed.

AB RESOLUTION NO. SS-39

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby adopts the resolution entitled "**RESOLUTION OF INTENT TO ISSUE REFUNDING BONDS BY NEGOTIATED TRANSACTION PURSUANT TO EXECUTIVE ORDER NO. 26.**"

(attached)

Mr. Segin thanked the Authority for approving the negotiated sale in the form of a private placement.

3. APPROVAL OF 2019 DEBT MANAGEMENT PLAN

Dr. Kazmir called upon Bill McLaughlin to present the Authority's 2019 Debt Management Plan.

Mr. McLaughlin explained to the Members that, under Executive Order No. 26 (Whitman), the Authority is required to prepare an annual Debt Management Plan and submit it to the State Treasurer. According to Mr. McLaughlin, the 2019 Debt Management Plan distributed to the Members reflects the financings completed during 2018 and identifies the five (5) bond financings anticipated for 2019. Also included is a description of each project, the anticipated issue size, security, ratings and a proposed method of sale.

There is no anticipated activity for the Master Lease Program, Composite Program or the Equipment Revenue Note Program.

The proposed plan also excludes the Capital Asset Program (CAP) loans, since these transactions do not involve the issuance of new debt.

Mr. McLaughlin added that, as in prior years, the total volume for 2019 is subject to change, depending upon market conditions and borrowers' preferences. He concluded by asking the Members to approve the plan for submission to the State Treasurer.

Dr. Kazmir then asked for a motion to approve the Authority's 2019 Debt Management Plan. Ms. Ford made the motion. Mr. Lovell seconded. Dr. Kazmir asked if there were any questions on the motion. There were no questions. Dr. Kazmir called for a vote. All Members voted in the affirmative and the motion passed.

AB RESOLUTION NO. SS-40

> **WHEREAS,** the Members of the Authority have reviewed the memorandum dated January 16, 2019 regarding the 2019 Debt Management Plan.
>
> **NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby approves a motion to adopt the proposed 2019 Debt Management Plan and submit it to the Treasurer in accordance with the requirements of Executive Order No. 26.

4. APPROVAL OF EXPENSES

Dr. Kazmir referenced a summary of Authority expenses and invoices provided to the Members. Mr. Lovell made the motion to approve the expenses. Ms. Ford seconded. Dr. Kazmir asked if there were any questions on the motion. There were no questions. He then called for a vote. All Members voted in the affirmative and the resolution was approved to approve the bills and to authorize their payment.

AB RESOLUTION NO. SS-41

> **WHEREAS,** the Members of the Authority have reviewed the memoranda dated January 16, 2019 summarizing expenses incurred by the Authority in connection with Trustee/Escrow Agent/Paying Agent fees and general operating expenses in the amounts of $64,430.50 and $28,096.37 respectively, and have found such expenses to be appropriate;
>
> **NOW, THEREFORE, BE IT RESOLVED,** that the Members of the Authority hereby approve all expenses as submitted, and authorize the execution of checks representing the payment thereof.

5. STAFF REPORTS

Dr. Kazmir thanked Staff for the Project Development Summary, Cash Reconciliation Report and Legislative Advisory.

Dr. Kazmir asked Executive Director Hopkins to present his Executive Director’s report.

Mr. Hopkins reported the following:

1. In June of 2007, the Authority adopted Resolution No. HH-28, which lowered certain Authority fees, but created an automatic annual adjustment to the amount of bonds which would be subject to the Authority's initial fees and annual fees (the "fee cap"). The resolution called for the adjustment of the fee cap commensurate with the change in the average of the Consumer Price Index for all Urban Consumers ("CPI-U") in the New York City and Philadelphia regions. In September 2016, the Authority Members readjusted the Authority's fee structure, eliminated the fee cap for annual fees, and increased the fee cap for initial fees to apply to up to $100,000,000 of each financing. At that time, the Authority Members also approved postponing any adjustment of the fee cap for initial fees until January of 2018. In January of 2018, as a result of the average CPI-U for New York City and Philadelphia regions increasing 1.2%, the amount of bonds upon which the initial fee would be collected increased to $101,200,000. For the twelve-month period ending December 31, 2018, the CPI-U in the New York City region increased 1.5848% and in the Philadelphia region increased 1.0180%, for an average increase of 1.3014%. Therefore, with rounding to the nearest $100,000, the initial fee of 2.5 basis points will now be collected on the first $102,500,000 in bonds issued by the Authority, or a maximum of $25,625. Per series fees shall continue to be $10,000 for each series.

2. The Authority provided $23 million in financing in 2018 to one borrower: Village Drive Healthcare Urban Renewal, LLC, for a low-income assisted living facility in Millville, New Jersey. All $23 million was new money issued via a private placement. The weighted average all-in true interest cost on the $23,000,000 in bonds issued in 2018 was 6.0269%. Compared to taxable rates, the issuance of the $23 million in new money tax-exempt bonds saved Village Drive about $2,714,000 on a present value basis.

   In 2018, there were no direct loans to any Federally Qualified Health Centers, no Equipment Revenue Notes and no Master Leases. While an $11 million Capital Asset Program loan was approved for John Brooks Recovery Center in 2018, it has not closed yet. Existing loans under the Capital Asset Program averaged an interest rate of 4.16% for calendar year 2018.

   According to the unaudited year-end numbers, the Authority's 2018 expenses came in at $3,754,652, which was 17.07% lower than budget and 28.88% above 2017 expenses (2018 included a payment of $777,942 for the consultant's study and report on the State's four psychiatric hospitals and $28,112 to the post-retirement health care benefit trust). The Authority's revenues came in at $3,927,523, which was 8.14% under budget and 2.87% below 2017 revenues. The Authority's receipts over disbursements came in at $172,872, which is $425,052 over budget and $957,615 less than 2017.

3. Authority Members should have received two disclosure forms, which need to be filled out by Friday, February 1. The "Personal and Business Relationships Disclosure Form" is required pursuant to New Jersey Statute 52:34-10.11 for anyone, including Authority Members and Staff, involved in the procurement process. The "Annual Outside Activity Questionnaire" is required pursuant to the State's Uniform Code of Ethics. He advised the Members to consult Robin Piotrowski, the Authority's Human Resources Manager and Ethics Liaison Officer, if they have any questions.

4. Hospital & Other News

    a. Virtua Health's proposed acquisition of Our Lady of Lourdes Medical Center in Camden and Lourdes Medical Center of Burlington County in Willingboro from a subsidiary of Trinity Health will not require a Certificate of Need approval from the Department of Health but is undergoing review by the Attorney General's office pursuant to the Community Health Care Assets Protection Act (CHAPA). In its filing for CHAPA, Virtua indicated it intended to transform Lourdes Medical Center into a specialty hospital for behavioral health and addiction treatment.

    b. On January 1, 2018, Carrier Clinic, the behavioral health care provider headquartered in Belle Mead, became part of Hackensack Meridian Health, in a move intended to integrate medical care with behavioral health care.

    c. Thomas Jefferson University and Jefferson Health is in negotiations to acquire Fox Chase Cancer Center from Temple University. Jefferson Health has been on an acquisition spree, recently acquiring Kennedy Health System in southern New Jersey.

    d. Hudson Regional Hospital in Secaucus celebrates one year since it was acquired by an entity headed by Yon Moshe from an entity headed by Richard Lipsky and changed its name from Meadowlands Hospital Medical Center.

    e. Cooper University Health Care announced that Dr. Anthony Mazzarelli and Kevin O'Dowd would become co-Chief Executive Officers on June 1, 2019 upon the retirement of Dr. Adrienne Kirby, the current executive Chair and CEO. Dr. Mazzerelli and Mr. O'Dowd have been serving as co-presidents since March of 2018.

    f. John Lloyd, the co-CEO of Hackensack Meridian Health, retired at the end of December. He took over the struggling Jersey Shore University

Medical Center in Neptune in 1982 and created the Meridian Health System, which merged with Hackensack University Health in 2016.

g. Joseph Devine, has been elected the new chair of the board of the New Jersey Hospital Association. Mr. Devine is the CEO of Jefferson Health New Jersey, the former Kennedy Health System.

h. Former University Hospital board member Annette Catino wrote an op-ed in NJ.com critical of the State-appointed monitor's report on University Hospital, including the blame it placed on the hospital's leadership, which led to the resignation of CEO John Kastanis and his replacement, on an interim basis, by the monitor, Judy Persichilli. Instead, Ms. Catino cites lack of sufficient support from State and local leaders after University Hospital was made independent by the dissolution of the University of Medicine and Dentistry of New Jersey in 2014.

i. A number of hospitals and systems are waiving co-pays and deductibles for furloughed federal employees, including Atlantic Health System, Cape Regional Medical Center, Hackensack Meridian Health and RWJ Barnabas Health.

j. Hackensack Meridian Health Palisades Medical Center has received a $10 million donation from John Meditz to expand the emergency department at the North Bergen hospital. Mr. Meditz is the co-founder of the investment company Horizon Kinetics and a philanthropist.

k. Cooper Health System, which unsuccessfully sought to acquire Lourdes Medical Center, Our Lady of Lourdes Medical Center and St. Francis Medical Center from a subsidiary of Trinity Health, initially sued Trinity for $15 million, blaming it for scuttling the sale. Cooper recently increased its claim of damages to $20 million, citing the costs to Cooper of the due diligence on the transaction.

l. Holy Name Medical Center has reduced the frequency of Cesarean section births, which are considered riskier and are more expensive, by encouraging natural births.

m. AtlantiCare Regional Medical Center is planning to build a $38 million health park adjacent to its Atlantic City campus. The preliminary plans include a maternal and child health clinic, an urgent care clinic, a dialysis center, through a joint venture with Fresenius, and medical education classrooms. The project has been preliminarily approved for support from the Casino Redevelopment Authority through the donation of approximately $3 million of land and a $15 million grant.

n. Atlantic Health System CEO Brian Gragnolati is the new chair of the American Hospital Association. Modern Healthcare interviewed him about the initiatives he hoped to lead as chair, including affordability.

o. RWJBarnabas Health's Clara Maass Medical Center is using funds from the sale of their medical office buildings to finance needed renovations to their intensive care unit.

p. The U.S. News & World Report has released its list of top hospitals. In New Jersey, the top three hospitals were Morristown Medical Center, Hackensack University Medical Center and Robert Wood Johnson University Hospital.

q. In other New Jersey Hospital news:

    i. Hackensack University Medical Center is building a 43,500 square foot central utility plant to serve its entire Hackensack campus;

    ii. St. Peter's Healthcare is expanding its service to provide rides to outpatients;

    iii. Trinity Health is joining many other health systems in announcing it raised its minimum wage at its New Jersey hospitals to $15 effective January 2019;

    iv. Robert Garrett, CEO of Hackensack Meridian Health, is attending the World Economic Forum in Davos, Switzerland;

    v. St. Luke's University Health Network, which owns St. Luke's Warren Hospital in Phillipsburg, has joined a nationwide consortium forming the non-profit generic pharmaceutical producer Civica RX;

    vi. ROI NJ interviewed Virtua CEO Dennis Pullin on his first year;

    vii. Virtua Voorhees has been named as a top teaching hospital for the fifth consecutive year by the Leapfrog Group;

    viii. the New Jersey Hospital Association released its annual report on the economic impact of the State's hospitals, including adding $23.6 billion to the State's economy and providing 150,000 jobs;

    ix. New Jersey health care industry insiders' predictions for 2019;

    x. a report on tracking New Jersey's progress on population health;

xi. the Central Jersey Family Health Consortium, New Jersey Department of Health and GoMo Health launch of two remote care management programs to support prenatal and postpartum mothers with opioid use disorder;

xii. the January 11th introduction of Senator Menendez's legislation to strengthen New Jersey's community health centers; and

xiii. How New Jersey programs, such as those created by the Camden Coalition of Healthcare Providers, are being used as national models.

r. In ratings news:

i. Standard & Poor's Global Ratings raised the rating on debt issued by and on behalf of RWJBarnabas Health from "A+" to "AA-" with an outlook of stable;

ii. Standard & Poor's Global Ratings affirmed its stable outlook for U.S. nonprofit hospitals for 2019; and

iii. Moody's Investor Service released a "Sector Comment" on Not-for-profit and public healthcare noting the continued trend toward consolidation.

In National Health Care News:

s. The Center for Medicare and Medicaid Services (CMS) began requiring hospitals to post their charges for all their services on January 1, 2019. A number of articles are included on the requirement including:

i. the difficulty in understanding the charges, as they often do not match up to the actual payments made for the services;

ii. the fact that CMS has no mechanism to enforce the requirement to post charges; and

iii. An op-ed by and an interview of Holy Name Hospital CEO Michael Maron on why posting charges is largely irrelevant to the consumer health care services.

t. U.S. health care spending remains the highest among developed countries, with some blaming prices, some the cost of purchased services, and others drug spending.

u. The Kaiser Family Foundation has ranked each state by the cost of adjusted expenses per inpatient day at nonprofit hospitals, for-profit hospitals and public hospitals. New Jersey ranked 13th highest based on the average cost of $2,749 per patient per day at nonprofit hospitals. California, Wyoming and Washington were the top three with costs for nonprofit hospitals at an average of $3,833, $3,592 and $3,582, respectively. Mississippi, South Dakota and Iowa were the lowest at an average cost of $1,304, $1,352 and $1,524, respectively. The U.S. median for nonprofit hospitals was $2,426 and the average was $2,488.

v. The Council for Affordable Healthcare Quality issued a report that estimated the health care industry could save $12 billion by fully digitizing its administrative transactions.

w. The American Hospital Association's data shows that hospitals' outpatient revenue nearly equaled its inpatient revenues in 2017, at $472 billion for outpatient compared to $498 billion for inpatient.

x. Hospitals under pressure to reduce surprise out-of-network bills are increasingly requiring their doctors to contract with insurers the hospital is in-network with.

y. A new study published in the journal Health Affairs calls into question the effectiveness of CMS's Hospital Readmission Reduction Program (HRRP). The study's authors note that the timing of the HRRP readmission reports coincided with a change in a Medicare form that allowed 25 codes, an increase from the previous nine allowed. This would have created a higher baseline patient risk score, which would have led to a lower readmission rate regardless of any additional HRRP intervention.

z. Virtual hospitals may be the healthcare centers of the future according to a lengthy article in Practice Management, which explores in- depth how virtual medicine can work.

aa. A federal judge in the District of Columbia issued an injunction blocking the federal cuts to the 340B drug discount program, which many hospitals benefit from. The cuts would result in hospitals that treat a significant number of poor patients receiving about $1.6 billion less in payments.

bb. An analysis that appears in HealthLeaders suggests that the CVS Aetna merger is already a threat to hospitals by reducing patients' need to go to the hospital.

cc. Healthcare Dive explores extensively how UnitedHealth's Optum is at the forefront of the vertical integration in health care. Optum started as a pharmacy benefit manager in the health insurer's organization. It has grown to include ambulatory care delivery and analytics. Optum accounted for 44% of UnitedHealth Group's profits in 2017.

dd. In other national health care news:

i. More Medicaid managed care plans are offering education and housing assistance to their enrollees, seeing the benefit of funding social determinants of health to reduce medical costs;

ii. Kaufman Hall reports there were 22% fewer hospital mergers in 2018 but the overall value of mergers increased due to the larger size of the merged organizations;

iii. Open Minds discusses why and how hospitals are diversifying;

iv. The Office of the National Coordinator for Health IT says most hospitals are sharing data but disparities still exist;

v. The American Hospital Association listed the amount of uncompensated care U.S. hospitals have provided each year since 2000, totaling $620 billion, which does not include losses due to underpayments from Medicaid or Medicare;

vi. Princeton University researchers are using machine learning to design a system that could reduce the frequency of medical tests and improve the timing of critical treatments for intensive care unit patients;

vii. Deloitte has published a report that finds hospitals with value-based care contracts are more likely to use emerging technology;

viii. Q-Centrix, a health care quality solutions provider, reports that nearly 25% of care-delivery payments will be value-based in 2019; and

ix. Investments in digital health startups totaled $8.1 billion in 2018, a new high according to Rock Health.

In Tax and Regulatory News

ee. The Municipal Securities Rulemaking Board (MSRB) warned in a new draft interpretive guidance that prearranged trading in connection with a primary offering may be a violation of MSRB rules G-11, G-17 and G-

25 and could threaten the integrity of the municipal bond market. The prearranged trading the MSRB is concerned about is when, prior to the completion of the distribution of a new issue, a dealer that is not a member of the underwriting syndicate arranges to purchase the bonds at or above the list-offering price from either a syndicate member or an investor. The draft guidance states trades of this type "may have a negative impact on the fairness and efficiency of the municipal securities market," may prevent investors from getting the priority they should have received and may result in negatively affecting "the true prevailing market price of the bonds."

ff. The MSRB released "10 Things to Know: New SEC Rule 15c2-12 Requirements" which discuss the new requirements that, starting February 27, 2019, obligated persons must disclose on EMMA material financial obligations and events that reflect financial difficulty with respect to such obligations.

gg. The director of the SEC's Office of Municipal Securities said her office's focus would be on enforcing disclosure this year, including timeliness.

hh. BondLink and Municipal Market Analytics have teamed up to provide bond market insights to their issuer clients, including bond prices, new issue supply, secondary market trading and investor fund flows.

ii. The U.S. Treasury has released its final regulation relating to TEFRA approval for private activity bonds. The new regulation will be effective April 1, 2019. The regulation allows electronic posting of the TEFRA notice on the approving government unit's website. Currently, the requirement is to publish the TEFRA notice in a newspaper that covers the area of the tax-exempt bond financed project. The posting of the TEFRA notice may be made as little as seven days in advance of the TEFRA hearing. Previously the TEFRA notice needed to be published 14 days in advance.

5. Authority News

a. Last month, Mr. Hopkins informed the Authority that Cindy Kline had joined the Authority as the Administrative Assistant for the Division of Operations, Finance and Special Projects. Ms. Kline was unable to attend the December meeting because she was in ethics training. Ms. Kline was present, so Mr. Hopkins introduced her and welcomed her.

As there was no further business, following a motion by Mr. Lovell and a second by Ms. Kralik, the Members voted unanimously to adjourn the meeting at 10:50 am.

I HEREBY CERTIFY THAT THE FOREGOING IS A TRUE COPY OF MINUTES OF THE NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY MEETING HELD ON JANUARY 24, 2019.

____

Carole Conover, Assistant Secretary